

News Release

Senator Pete V. Domenici

FOR IMMEDIATE RELEASE

MAY 18, 2000

DOMENICI URGES FULL PARITY FOR MENTAL HEALTH COVERAGE

GAO Confirms Costs Negligible for Most Health Plans

WASHINGTON -- U.S. Senator Pete Domenici today welcomed new evidence confirming that costs associated with providing full parity for health insurance coverage are negligible, and urged his Senate colleagues to embrace an expansion of the federal parity law.

Domenici today submitted testimony in support of the **Mental Health Equitable Treatment Act of 1999 (S.796)**, for a hearing on the bill before the Senate Health, Education, Labor and Pensions Committee. The Senator, who along with Senator Paul Wellstone (D-Minn.) introduced the bill last year as the next step beyond the landmark 1996 Mental Health Parity Act.

Domenici welcomed the conclusions of a new General Accounting Office (GAO) study released at the hearing confirming that employer compliance with the 1996 law is not driving up insurance costs.

"I am pleased that the findings of the GAO report confirm what we've been saying for years - that mental illnesses can be covered and treated in the same manner as other physical ailments," Domenici said. "Medical science is in an era where we can accurately diagnose mental illnesses and treat those afflicted to that they can lead productive lives. Now, insurance coverage should follow suit."

The GAO study released today was requested to review the following issues regarding the Mental Health Parity Act of 1996: (1) the extent to which employers comply with the law and how they have revised their health plans; (2) the law's effect on claim costs; and, (3) steps federal agencies have taken to ensure compliance with the law.

GAO found the costs associated with the federal parity law have been negligible for most health plans. Only 3 percent of employers reported an increase in costs. Consumers in states without more comprehensive parity laws have only seen minor changes in their mental health benefits. But, the report concludes, two-thirds of the plans complying with the parity law have lower mental health hospital day and outpatient office visit limits than

medical and surgical benefits.

“The Mental Health Parity Act of 1996 was a good first start, but that law is not working as intended. While there has been adherence to the letter of that law, there are certainly violations of the spirit of the law. Ways are being found around the law by placing limits on the number of covered hospital days and outpatient visits. That is why I believe it is time for a change,” Domenici said.

“That is why I again joined forces with Senator Wellstone to offer the Mental health Equitable Treatment Act of 1999. The bill outlines a very simple goal - to provide full parity for certain severe biologically based mental illnesses and prohibit limits on the number of covered hospital days and outpatient visits for all mental illnesses,” he said.

Domenici noted that a recent trend is for states to adopt their own mental health parity legislation. Thirty states now have parity laws on the books, including New Mexico.

The Mental Health Equitable Treatment Act of 1999 would:

1. Provide full parity for severe biologically-based mental illnesses (schizophrenia, bipolar disorder, major depression, obsessive compulsive and severe panic disorders, post-traumatic stress disorder, autism, and other severe and disabling mental disorders like anorexia nervosa and attention-deficit/hyperactivity disorder);
2. Prohibit limits on the number of covered hospital days and outpatient visits for all mental illnesses; and,
3. Eliminate the Mental Health Parity Act’s sunset provision.

Like the Mental Health Parity Act of 1996, the bill does not require a health plan to provide coverage for alcohol and substance abuse benefits. Moreover, the bill does not mandate the coverage of mental health benefits, but rather only applies if the plan already provides coverage for mental health benefits.

Original cosponsors to the Domenici-Wellstone bill include Senators John Chafee (R-R.I.), Edward Kennedy (D-Mass.), Harry Reid (D-Nev.), Paul Sarbanes (D-Md.), and Arlen Specter (R-Pa.).

Bipolar disorders, those disorders characterized by extreme emotional lows and highs, have an 80 percent treatment success rate if both medicine and care are used. Schizophrenia, the most dreaded of mental illnesses, has a 60 percent treatment success rate in the United States today. Major depression has a 65 percent success rate. By comparison, there is a 41 percent success rate for angioplasty and 52 percent for atherectomy--both procedures that have full healthcare coverage.

